### IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

UNITED STATES OF AMERICA

Plaintiff,

v.

RALPH L. LOWE, et al.,

Defendants.

CIVIL ACTION NO. H-91-830

### CONSENT DECREE

### I. BACKGROUND

- A. The United States of America ("United States"), on behalf of the Administrator of the United States Environmental Protection Agency ("EPA"), filed a complaint and an amended complaint in this matter pursuant to Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9607.
- B. The United States in its complaint and amended complaint seeks reimbursement of costs incurred and to be incurred, together with accrued interest, for response actions taken or to be taken at or in connection with the release or threatened release of hazardous substances at the Dixie Oil Processors Superfund Site ("DOP Site") located at 2505 Dixie Farm

Road near Friendswood, Harris County, Texas, and a declaration of the named Defendants' liability for further response costs.

- C. This Court granted judgement for oversight and future response costs relating to the DOP Site on August 2, 1996.
- D. The release or threatened release of hazardous substances at or from the DOP Site has caused the United States to incur response costs, and further response costs will be incurred.
- E. Pursuant to Administrative Order CERCLA Docket No. 6-23-91, the Settling Defendants implemented EPA's selected response to this release or threatened release. The Site is currently in the operation and maintenance phase.
- F. The United States and Settling Defendants agree, and this Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith, that settlement of this matter will avoid prolonged and complicated litigation between the Parties, and that this Consent Decree is fair, reasonable, and in the public interest.
- G. This Consent Decree is a settlement of a contested matter pertaining to the amount of costs owed to the United States.

THEREFORE, with the consent of the Parties to this Decree, it is ORDERED, ADJUDGED, AND DECREED:

#### II. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. §§ 9607 and 9613(b), and also has personal jurisdiction over Settling Defendants. Settling Defendants consent to and shall not challenge entry of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

#### III. PARTIES BOUND

2. This Consent Decree is binding upon the United States and upon the Settling Defendants and their heirs, successors and assigns. Any change in ownership or corporate or other legal status of a Settling Defendant including, but not limited to, any transfer of assets or real or personal property, shall in no way alter the status or responsibilities of Settling Defendants under this Consent Decree.

### IV. DEFINITIONS

3. Unless otherwise expressly provided herein, terms used in this Consent Decree which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning

assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Consent Decree or in any appendix attached hereto, the following definitions shall apply:

- a. "Administrative Order" shall mean Administrative Order CERCLA Docket No. 6-23-91.
- b. "CERCLA" shall mean the Comprehensive
  Environmental Response, Compensation, and Liability Act of 1980,
  as amended, 42 U.S.C. §§ 9601 et seq.
- c. "Consent Decree" shall mean this Consent Decree and all appendices attached hereto. In the event of conflict between this Consent Decree and any appendix, the Consent Decree shall control.
- d. "Day" shall mean calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business the next working day.
- e. "DOJ" shall mean the United States Department of Justice and any successor departments, agencies or instrumentalities of the United States.
- f. "DOP Site" or "Site" shall mean the Dixie Oil Processors Superfund Site, located near Friendswood, Harris County, Texas.

- g. "EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.
- h. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.
- i. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.
- j. "Paragraph" shall mean a portion of this Consent

  Decree identified by an Arabic numeral or an upper or lower case

  letter.
- k. "Parties" shall mean the United States and the Settling Defendants.
- 1. "Past and Future Response Costs" shall mean all costs, including, but not limited to direct and indirect costs, that EPA, ATSDR, or DOJ on behalf of EPA has paid at or in connection with the Site from January 1, 1992 to June 30, 2001,

interest on those costs, and EPA's future oversight costs at the Site.

- m. "Record of Decision" or "ROD" shall mean the EPA Record of Decision relating to the Site signed on March 31, 1988, by the Regional Administrator, EPA Region VI, and all attachments thereto.
  - n. "Plaintiff" shall mean the United States.
- O. "Settling Defendants" shall mean Pharmacia
  Corporation (formerly known as Monsanto Company), The Dow
  Chemical Company, Merichem Company, Lyondell Chemical Company(as
  successor to ARCO Chemical Company), and Rohm and Haas Company.
- p. "United States" shall mean the United States of America, and its departments and agencies.

### V. STATEMENT OF PURPOSE

4. By entering into this Consent Decree, the mutual objective of the Parties is for Settling Defendants to make a cash payment to address their liability for the Site as provided in the Covenants Not to Sue by Plaintiff in Section VIII, and subject to the Reservations of Rights by United States in Section IX.

# VI. PAYMENT OF PAST AND FUTURE RESPONSE COSTS

- 5. Within 30 days of entry of this Consent Decree, Settling Defendants shall pay to the EPA \$873,949.80.
- 6. Payment shall be made by FedWire Electronic Funds
  Transfer ("EFT") to the U.S. Department of Justice account in
  accordance with current EFT procedures, referencing Civil Action
  Number H-91-830, EPA Site/Spill ID Number 06B2, and DOJ Case
  Number 90-11-2-323. Payment shall be made in accordance with
  instructions provided to the Settling Defendants by the Financial
  Litigation Unit of the United States Attorney's Office for the
  Southern District of Texas following lodging of the Consent
  Decree. Any payment received by the Department of Justice after
  4:00 p.m. Eastern Time shall be credited on the next business
  day.
- 7. At the time of the payment, Settling Defendants shall send notice that payment has been made in accordance with Section XII (Notices and Submissions) to EPA and DOJ.
- 8. Of the total amount to be paid pursuant to Paragraph 5 of this Consent Decree, \$773,949.80 shall be deposited in the EPA Hazardous Substance Superfund and \$100,000 shall be deposited in the Dixie Oil Processors Site Special Account within the EPA Hazardous Substance Superfund to be retained and used by EPA to

conduct future work at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

Payment shall be made by Electronic Funds Transfer ("EFT"), in accordance with EFT instructions provided by EPA, or by submitting a money order, cashier's check, or certified check payable to the EPA Hazardous Substance Trust Fund to:

U.S. Environmental Protection Agency P.O. Box 360582M Pittsburgh, PA 15251

Settling Defendant shall clearly mark the check or other transaction record "Acct. #(Dixie Oil Processors) 06B2" and shall reference DOJ Case No.90-11-2-323. Settling Defendant shall submit notice of such payment including a copy of EFT transmittal documentation, money order, cashier's check, or certified check to the Chief, Cost Recovery Section (6SF-AC), Superfund Division, U.S. Environmental Protection Agency Region 6, 1445 Ross Ave., Suite 1200, Dallas, TX 75202-2733, and to the Chief, Environmental Enforcement Section, U.S. Department of Justice, at the address specified in Paragraph 28.

### VII. FAILURE TO COMPLY WITH CONSENT DECREE

9. <u>Interest on Late Payment</u>. If the Settling Defendants fail to make the payment under Paragraph 5 by the required due date, Interest shall continue to accrue on the unpaid balance through the date of payment.

# 10. Stipulated Penalty.

- a. If the amount due under Paragraph 5 is not paid by the required due date, Settling Defendants shall be in violation of this Consent Decree and shall pay, as a stipulated penalty, in addition to the Interest required by Paragraph 9, \$5,000 per violation per day that such payment is late.
- b. Stipulated penalties are due and payable within 30 days of the date of the demand for payment of the penalties by EPA. All payments to EPA under this Paragraph shall be identified as "stipulated penalties" and shall be made by certified or cashier's check made payable to "EPA Hazardous Substance Superfund." The check, or a letter accompanying the check, shall reference the name and address of the parties making payment, the Site name, the EPA Site/Spill ID Number 06B2, and DOJ Case Number 90-11-2-323, and shall be sent to:
  - U.S. EPA Region 6 Lockbox P.O. Box 360582M Pittsburgh, PA 15251
- c. At the time of payment, Settling Defendants shall send notice in accordance with Section XII (Notices and Submissions).
- d. Penalties shall accrue as provided in this
  Paragraph regardless of whether EPA has notified Settling
  Defendants of the violation or made a demand for payment, but
  need only be paid upon demand. All penalties shall begin to

accrue on the day after payment is due and shall continue to accrue through the date of payment.

- 11. If the United States brings an action to enforce this Consent Decree, Settling Defendants shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.
- 12. Payment made under this Section shall be in addition to any other remedies or sanctions available to Plaintiff by virtue of Settling Defendants' failure to comply with the requirements of this Consent Decree.
- 13. The obligations of Settling Defendants to pay amounts owed the United States under this Consent Decree are joint and several. In the event of the failure of any one or more Settling Defendants to make the payment required under this Consent Decree, the remaining Settling Defendants shall be responsible for such payment.
- 14. Notwithstanding any other provision of this Section, the United States may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Consent Decree. Payment of stipulated penalties shall not excuse Settling Defendants from payment as required by Section VI or from performance of any other requirements of this Consent Decree.

### VIII. COVENANTS NOT TO SUE BY PLAINTIFF

specifically provided in Section IX (Reservation of Rights by United States), the United States covenants not to sue or to take administrative action against Settling Defendants pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), with regard to Past and Future Response Costs. These covenants not to sue shall take effect upon receipt by EPA of the payment required by Section VI (Payment of Past and Future Response Costs) and any amount due under Section VII (Failure to Comply with Consent Decree). These covenants not to sue are conditioned upon the satisfactory performance by Settling Defendants of their obligations under this Consent Decree. These covenants not to sue extend only to Settling Defendants and do not extend to any other person.

### IX. RESERVATION OF RIGHTS BY UNITED STATES

- 16. <u>United States' Post-certification Reservations</u>.

  Notwithstanding any other provision of this Consent Decree, the United States reserves, and this Consent Decree is without prejudice to, the right to institute proceedings in this action or in a new action, or to issue an administrative order seeking to compel Settling Defendants
- a. to perform further response actions relating to the  $\operatorname{Site}$ , or

- b. to reimburse the United States for additional costs of response if, subsequent to EPA's Certification of Completion of the Remedial Action pursuant to the Administrative Order:
- i. conditions at the Site, previously unknown to  $\ensuremath{\text{EPA}},$  are discovered, or
- ii. information, previously unknown to EPA, is received, in whole or in part, and EPA determines that these previously unknown conditions or this information together with other relevant information indicate that the Remedial Action is not protective of human health or the environment.
- 17. For purposes of Paragraph 16, the information and the conditions known to EPA shall include only that information and those conditions known to EPA as of the date of Certification of Completion of the Remedial Action and set forth in the Record of Decision, the administrative record supporting the Record of Decision, the post-ROD administrative record, or in any information received by EPA pursuant to the requirements of the Administrative Order prior to EPA's Certification of Completion of the Remedial Action pursuant to the Administrative Order.
- 18. The United States reserves, and this Consent Decree is without prejudice to, all rights against Settling Defendants with respect to all matters not expressly included within the Covenants Not to Sue by United States. Notwithstanding any other

provision of this Consent Decree, the United States reserves all rights against Settling Defendants with respect to:

- a. liability for failure of Settling Defendants to meet a requirement of this Consent Decree;
- b. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;
  - c. criminal liability; and
- d. claims based on a failure by Settling Defendants to meet any requirement of the Administrative Order.
- e. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606.

# X. COVENANT NOT TO SUE BY SETTLING DEFENDANTS

- 19. Settling Defendants covenant not to sue and agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Past and Future Response Costs, this Consent Decree or the Administrative Order, including but not limited to:
- a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claim arising out of response actions at or in connection with the Site, including any claim under the United

States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; and

- c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.
- 20. Nothing in this Consent Decree shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).
- 21. Settling Defendants agree not to assert any CERCLA claims or causes of action and to waive all claims or causes of action that they may have for all matters relating to the Site, including for contribution, against any person where the person's liability to Settling Defendants with respect to the Site is based solely on having arranged for disposal or treatment, or for transport for disposal or treatment, of hazardous substances at the Site, or having accepted for transport for disposal or treatment of hazardous substances at the Site, if the total amount of materials contributed by such person to the Site was less than 110 gallons of liquid materials or 200 pounds of solid materials.
- 22. The waiver in Paragraph 21 shall not apply with respect to any defense, claim, or cause of action that a Settling

Defendant may have against any person meeting the above criteria if such person asserts a claim or cause of action relating to the Site against such Settling Defendant. This waiver also shall not apply to any claim or cause of action against any person meeting the above criteria if EPA determines:

- a. that such person has failed to comply with any EPA requests for information or administrative subpoenas issued pursuant to Section 104(e) or 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) or 9622(e), or Section 3007 of the Solid Waste Disposal Act (also known as the Resource Conservation and Recovery Act or "RCRA"), 42 U.S.C. § 6927, or has impeded or is impeding, the action or inaction, the performance of a response action or natural resource restoration with respect to the Site, or has been convicted of a criminal violation for the conduct to which this waiver would apply and that conviction has not been vitiated on appeal or otherwise; or
- b. that the materials contributed to the Site by such person have contributed significantly, or could contribute significantly, either individually or in the aggregate, to the costs of response action or natural resource restoration at the Site.

# XI. EFFECT OF SETTLEMENT; CONTRIBUTION PROTECTION

23. Except as provided in Paragraph 21, nothing in this Consent Decree shall be construed to create any rights in, or

grant any cause of action to, any person not a Party to this

Consent Decree. The preceding sentence shall not be construed to

waive or nullify any rights that any person not a signatory to

this decree may have under applicable law. Except as provided in

Paragraph 21, the Parties expressly reserve any and all rights

(including, but not limited to, any right to contribution),

defenses, claims, demands, and causes of action which each Party

may have with respect to any matter, transaction, or occurrence

relating in any way to the Site against any person not a Party

hereto.

- 24. The Parties agree, and by entering this Consent Decree this Court finds, that Settling Defendants are entitled, as of the date of entry of this Consent Decree, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), for "matters addressed" in this Consent Decree. The "matters addressed" in this Consent Decree are Past and Future Response Costs. The "matters addressed" in this Consent to which the United States has reserved its rights under this Consent Decree (except for claims for failure to comply with this Decree.)
- 25. Each Settling Defendant agrees that, with respect to any suit or claim for contribution brought by it for matters related to this Consent Decree, it will notify EPA and DOJ in

writing no later than 60 days prior to the initiation of such suit or claim. Each Settling Defendant also agrees that, with respect to any suit or claim for contribution brought against it for matters related to this Consent Decree, it will notify EPA and DOJ in writing within 10 days of service of the complaint or claim upon it. In addition, each Settling Defendant shall notify EPA and DOJ within 10 days of service or receipt of any Motion for Summary Judgment, and within 10 days of receipt of any order from a court setting a case for trial, for matters related to this Consent Decree.

- 26. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other relief relating to the Site, Settling Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the Covenants Not to Sue by Plaintiff set forth in Section VIII.
- 27. Entry of the Consent Decree does not change the Settling Defendants' obligation under or the terms of the Administrative Order.

# XII. NOTICES AND SUBMISSIONS

28. Whenever, under the terms of this Consent Decree, notice is required to be given or a document is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Consent Decree with respect to the United States, EPA, DOJ, and the Settling Defendants, respectively.

# As to the United States:

Chief, Environmental Enforcement Section Environment and Natural Resources Division U.S. Department of Justice P.O. Box 7611 Ben Franklin Station Washington, D.C. 20044-7611 Re: 90-11-2-323

#### As to EPA:

Anne Foster
Office of Regional Counsel
U.S. EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202
Henry J. Parr
Cost Recovery Section Chief
U.S. EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202

# As to the Settling Defendants:

Mark White Baker & Botts 1600 San Jacinto Center 98 San Jacinto Blvd. Austin, TX 78701-4039

### XIII. RETENTION OF JURISDICTION

29. This Court shall retain jurisdiction over this matter for the purposes of interpreting and enforcing the terms of this Consent Decree.

# XIV. LODGING AND OPPORTUNITY FOR PUBLIC COMMENT

- 30. This Consent Decree shall be lodged with the Court for a period of not less than thirty (30) days for public notice and comment. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Consent Decree disclose facts or considerations which indicate that this Consent Decree is inappropriate, improper, or inadequate. Settling Defendants consent to the entry of this Consent Decree without further notice.
- 31. If for any reason this Court should decline to approve this Consent Decree in the form presented, this agreement is voidable at the sole discretion of any party and the terms of the agreement may not be used as evidence in any litigation between the Parties.

### XV. MODIFICATIONS

- 32. Except as provided for herein, there shall be no modification of this Consent Decree without written approval of all Parties to this Consent Decree and entry by the Court.
- 33. Nothing in this Consent Decree shall be deemed to alter the Court's power to enforce, supervise or approve modifications to this Consent Decree.

# XVI. SIGNATORIES/SERVICE

- 34. Each undersigned representative of a Settling Defendant to this Consent Decree and the Deputy Chief of the Environmental Enforcement Section of the United States Department of Justice, certifies that he or she is authorized to enter into the terms and conditions of this Consent Decree and to execute and bind legally such Party to this document.
- 35. Each Settling Defendant hereby agrees not to oppose entry of this Consent Decree by this Court or to challenge any provision of this Consent Decree, unless the United States has notified Settling Defendants in writing that it no longer supports entry of the Consent Decree.
- 36. Each Settling Defendant shall identify, on the attached signature page, the name and address of an agent who is authorized to accept service of process by mail on behalf of that Party with respect to all matters arising under or relating to this Consent Decree. Settling Defendants hereby agree to accept

service in that manner and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable local rules of this Court, including but not limited to, service of a summons.

### XV. FINAL JUDGEMENT

37. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute the final judgment between and among the United States and the Settling Defendants. The Court finds that there is no just reason for delay and therefore enters this judgment as a final judgment under Fed. R. Civ. P. 54 and 58.

SO	ORDERED	THIS	DAY	OF			2003.
			Unit	ed	States	District	Judge

Date:	THOMAS	т.	SANSONE	

THOMAS L. SANSONETTI
Assistant Attorney General
Environment and Natural Resources
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U.S. Department of Justice
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FOR THE UNITED STATES OF AMERICA

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# FOR THE ENVIRONMENTAL PROTECTION AGENCY:

Date: 11/24/03

RICMARD E. GREENE
Regional Administrator
Region 6
U.S. Environmental Protection
Agency
1445 Ross Avenue
Dallas, Texas 75202-2733

Director, Superfund Division Region 6 U.S. Environmental Protection Agency 1445 Ross Avenue Dallas, Texas 75202-2733

ANNE FOSTER
Assistant Regional Counsel
Region 6
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1445 Ross Avenue
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Arco Chemical Company
FOR \_\_now known as Lyondell Chemical Company

Date:  $\frac{9/10/03}{}$ 

[Name & Karen M. Swindler ]
[Title - General Manager and Divisional VP
[Maddivers - Responsible Care ]
Lyondell Chemical Company
1221 McKinney Street, Suite 1600
Houston, TX 77010

	FOR	The Dow Chemical Company
Date: <u>9/26/03</u>		
		[Name & Sandi VanWormer ]  [Title Counsel ]  [Address 2030 Dow Center, 8th Floor]  Midland, MI 48674

. . .

FOR MERICHEM COMPANY

Date: 18 Sept 2003

[Mame -- Kenneth F. Crasis | Title -- CEO | Address -- 190 N. Post Oak Lane | Suite 530 | Houston, Texas 77024 - 7703

> FOR: Pharmacia Corporation (formerly known as Monsanto Company) By Solutia Inc., Attorney In Fact

DATE: September 16, 2003

NAME: Jeffry N. Quinn

TITLE: Senior Vice President, Secretary and General Counsel

ADDRESS: Solutia Inc.

575 Maryville Centre Drive St. Louis, MO 63141

FOR Rohm AND HARS COMPANY

Date: 9/11/03

[Name -- Ellen S. Friedell]
[Title -- Associate General Counsel
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Philadelphia, Pt 19106